

S. HRG. 107-82

BLAKE, CARD, CARNES AND GARMAN NOMINATIONS

HEARING BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE ONE HUNDRED SEVENTH CONGRESS FIRST SESSION

ON THE

NOMINATIONS OF FRANCIS S. BLAKE, NOMINEE TO BE DEPUTY SECRETARY OF THE DEPARTMENT OF ENERGY; ROBERT G. CARD, NOMINEE TO BE UNDER SECRETARY OF THE DEPARTMENT OF ENERGY; BRUCE M. CARNES, NOMINEE TO BE CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF ENERGY; AND DAVID GARMAN, NOMINEE TO BE ASSISTANT SECRETARY FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY OF THE DEPARTMENT OF ENERGY

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BLAKE, CARD, CARNES AND GARMAN NOMINATIONS

WEDNESDAY, MAY 9, 2001

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Frank Murkowski, chairman, presiding.

OPENING STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

The CHAIRMAN. Ladies and gentlemen, we're certainly pleased to have two of our colleagues here this morning. And, as a matter of courtesy, we generally have name plates for our—obviously the staff has a little oversight. In the interest of senatorial courtesy, I suspect we'd better just wait for a moment until we get this done. Because I think it's in the back room.

We have a vote scheduled at 9:30 this morning. Is it 9:35? And I know that I want to get started. Maybe the easiest thing to do would be to have the senators introduce their particular nominees.

Our nominees this morning are Francis S. Blake to be a Deputy Secretary of the Department of Energy. Robert Gordon Card to be Under Secretary for the Department of Energy. Bruce Marshall Carnes to be Chief Financial Officer, Department of Energy. And David Garman to be the Assistant Secretary for Energy Efficiency & Renewable Energy, the Department of Energy.

Now, who's introducing who? That leaves me with Garman? Well, if anybody wants to introduce—volunteer to introduce Francis Blake, he doesn't seem to have drawn a Senator which is unfortunate. Evidently, Senator Allen and Senator Campbell are going to introduce Robert Card. And Bruce Carnes. And who else? We've got it now.

Card is by Allen—Card is by Allard, Carnes is by Allen, and I think with such a fumbling start it's better to turn it over to the senators and let them proceed.

Do you have any—do you want to try this?

Senator BINGAMAN. I'm anxious to hear from our colleagues what their thoughts are on that.

The CHAIRMAN. All right. Let's go with that. Please proceed. I guess, Senator Allard, you're senior.

Senator ALLARD. Actually, Senator Campbell is senior, Mr. Chairman, but it's his call.

The CHAIRMAN. It's his call.

Senator CAMPBELL. Mr. Chairman, you've fumbled everything so far. Don't worry about one more little fumble. It's okay.

The CHAIRMAN. It's got to be uphill from here. Whatever.

Senator CAMPBELL. If you want to go alphabetically, I think I fit in.

The CHAIRMAN. I'd suggest somebody grab it and run with it. Go ahead.

[The prepared statements of Senators Murkowski, Domenici, and Allen follow:]

PREPARED STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR
FROM ALASKA

Good Morning. Today we are holding a hearing on the nominations of:

- Francis S. Blake, to be Deputy Secretary, Department of Energy
- Robert Gordon Card, to be Under Secretary, Department of Energy
- Bruce Marshall Carnes, to be Chief Financial Officer, Department of Energy
- David Garman, to be Assistant Secretary for Energy Efficiency and Renewable Energy, Department of Energy

Mr. Blake is presently Senior Vice President of Corporate Business Development at General Electric where he has served since 1991. Before joining GE, he was a Partner with the law firm of Swidler & Berlin in Washington, D.C., and served as General Counsel at the Environmental Protection Agency from 1985 to 1988. He served as Deputy Counsel to Vice President George H.W. Bush from 1981 to 1983. A resident of Connecticut, he is a graduate of Harvard University and Columbia University School of Law.

Bob Card is employed by the Kaiser-Hill Company in Colorado, and until recently was President and CEO of that company. He was previously Executive Vice President of CH2M Hill, Inc. A native of Yakima, Washington, he is graduate of the University of Washington and received his Master's degree in Environmental and Civil Engineering from Stanford University.

Bruce Carnes is currently Deputy Director of Defense Financing and Accounting Services at the Department of Defense and was awarded the DOD Exemplary Civilian Service Award. He served as the Director of Planning, Budget and Administration at the Office of National Drug Control Policy from 1989 to 1993 and was Deputy Under Secretary of Education from 1985 to 1988. He is a graduate of the University of Colorado and received both a Master's degree and Ph.D. from Indiana University.

David Garman is particularly well known to me and I will introduce him in more detail following members' opening statements.

I trust that members will try to keep their opening statements short so we can maximize our time for questioning the nominees.

I look forward to working with each of these nominees once they are confirmed.

INTRODUCTION OF DAVID GARMAN

It is a pleasure for me to introduce one of the nominees before the committee, David Garman. The President has nominated David to serve as the Assistant Secretary of Energy for Energy Efficiency and Renewable Energy.

David now resides in Virginia and the usual custom would be for Senator Warner or Allen to introduce him—but I am invoking the prerogative of the Chair and citing a special circumstance in introducing David today.

David has worked with me—for Alaska—since the day of President Ronald Reagan's first inauguration—January 20, 1981. For over 20 years, David has served in a variety of capacities, most recently as my Chief of Staff. He was my Energy LA in the early 1980s when this committee worked to decontrol Natural Gas Prices. He was my Professional Staff Member on the Senate Select Committee on Intelligence when we were examining the capabilities of intelligence assets in understanding issues such as climate change and trans-boundary pollution from the Former Soviet Union. He also served on the Professional Staff of this committee, working on a variety of energy R&D and environmental issues.

David has a Bachelor of Arts in Public Policy from Duke University, and a Master of Science in Environmental Sciences from the Johns Hopkins University. He has been working on energy and environmental issues in the Senate for the better part of 20 years, so he is well prepared for the job the President has nominated him for.

David is no stranger to the members and staff of this committee. He served Senator Domenici and Nickles as subcommittee staff. He has worked closely with Senator Craig and Senator Hagel on Climate Change legislation. He has traveled with Senator Bingaman, Akaka, Thomas, Kyl, and Landrieu. One of David's virtues is his bipartisanship. He never hesitates to cross the aisle in pursuit of a positive legislative outcome. (Indeed, he didn't hesitate to cross the aisle in pursuit of a spouse, Kira Finkler, one of the Committee Democrat Counsels.)

I welcome David, his family and friends, and recommend his nomination to the members of this committee.

PREPARED STATEMENT OF HON. PETE V. DOMENICI, U.S. SENATOR
FROM NEW MEXICO

Mr. Chairman, I'm very pleased to welcome the four nominees for positions within the Department of Energy. That Department includes a very wide diversity of programs, which translates into a major management challenge. I appreciate that these well qualified candidates are ready and willing to accept these difficult assignments.

They are accepting these challenges at the same time that the American people are looking to the Department to provide leadership out of a serious energy shortage. The days of abundant energy supplies are gone in many parts of our country, as evidenced by rolling blackouts in California just this week, as well as earlier in the year. The situation in California is fragile, and there can be no pretense that any credible solutions are quick or easy.

It took years without an energy policy to reach the current conditions, and unfortunately getting more electricity onto the grid isn't quite as simple as flipping on a power switch someplace. We're in a situation where remedies will come slowly. Disruptions will continue for years before our supplies are back to healthy levels.

These nominees will be called upon to join with the Secretary of Energy and other agencies of the federal government to craft solutions—solutions that will provide our nation with the best possible long-term energy supplies.

Each of these nominees is well qualified to undertake their assignments. Francis Blake brings important experience from General Electric, in addition to prior government service. Bob Card has led the company providing the most effective, and certainly one of the most challenging, environmental cleanup efforts in the nation. Bruce Carnes brings solid experience from the Defense Department and from other areas of government service. I've worked with Dave Garman in his roles with the Energy and Natural Resources Committee and with the staff of Senator Murkowski; there is no question that Dave brings a superb mix of experience and talent to his new assignment with Energy Efficiency and Renewable Energy.

Each of these nominees has my support and I look forward to the opportunity to vote for their confirmation on the floor of the Senate in the very near future. And in my capacity as Chairman of the Appropriations Subcommittee for Energy and Water Development, I'll be working closely with them to develop important new policies to lead our nation toward solid energy security.

PREPARED STATEMENT OF HON. GEORGE ALLEN, U.S. SENATOR FROM VIRGINIA

Mr. Chairman and members of the committee, it is my privilege to introduce an outstanding Virginian from Springfield/Fairfax County, Bruce Carnes, for your consideration as Chief Financial Officer (CFO) for the Department of Energy.

Dr. Carnes has a long and distinguished 25-year record of public service, one that I feel makes him an exceptional choice to manage the financial course for the U.S. Department of Energy.

Dr. Carnes received his bachelor's degree from the University of Colorado and both of his graduate degrees from Indiana University. He overcame this "Virginia-deficient" educational experience teaching English literature at James Madison University and undoubtedly through marriage to his wife, Lynore (pronounce Lynn-OR), who received her law degree from George Mason University.

I am pleased to say that both of their daughters have chosen to follow suit, attending high school and college in the Commonwealth of Virginia (UVA and JMU).

His experience in financial management is certainly impressive. Dr. Carnes was the Chief Financial Officer for the Defense Department and has also held the chief finance and budget positions of the Office of National Drug Control Policy, the Department of Education, and the National Endowment for the Humanities. He currently serves as the Deputy Director, or Chief Operating Officer, of the world's largest finance and accounting organization in the world: the Defense Finance and Accounting Service.

This last Department of Defense position I mentioned requires Dr. Carnes to assist in the day-to-day accounting and finance activities of the entire Department of Defense, an area that employs more than 20,000 civilian and military personnel at 25 locations throughout the United States and Pacific region. The financial resources he oversees are in well excess of \$1 trillion.

The changing face of the Defense Department as we exited the Cold War in the early 1990s provided a significant department-wide challenge that we will now issue to our friends at the Department of Energy. Dr. Carnes is entering the Department at a crucial time and his assistance in advancing the Administration's Energy Policy will be welcomed by all Americans.

I am confident that Dr. Carnes' background and experience, especially in financial management, will enable him to continue his outstanding contributions to the federal government in his new role as the Energy Department's Chief Financial Officer.

Mr. Chairman, members of the committee, it is my sincere pleasure to introduce this exceptional nominee to you this morning, and wholeheartedly recommend his confirmation.

STATEMENT OF HON. WAYNE ALLARD, U.S. SENATOR FROM COLORADO

Senator ALLARD. Mr. Chairman, first of all, I want to thank you and congratulate you on moving forward with all of these nominees. And just to let you know that both Senator Allen and myself have met Francis here. We think he's a good guy. So now somebody has spoken.

I also want to note that Senator Bingaman for his being on the committee and the other members I want to thank you for having me here today to introduce Bob Card to—or Robert Card, who I believe is a very deserving nominee to be the Under Secretary of Energy.

Bob Card's credentials are not only extensive but impressive. He has a PMD, which is a Program for Management Development from Harvard Business School, a Master of Science in Environmental Engineering from Stanford University, and Biological Science and Civil Engineering from the University of Washington. And was a DOE radiation worker, too.

For experience, he's worked for CH2M Hill for over 20 years, which has involved work at over 10 facilities, including the Rocky Flats Environmental Technology site at Denver, Colorado.

While at Rocky Flats, Bob and I have had an opportunity to meet and work together for a number of years on issues surrounding the Rocky Flats site. It's based on that experience why I so strongly recommend him today.

Bob started at Rocky Flats as executive vice president of Kaiser-Hill before taking the reins as chief executive officer and president of Rocky Flats of Kaiser-Hill in April 1996.

I witness Bob turn the Rocky Flats cleanup from a project which was scheduled to close by 2065, costing upwards to \$37 billion down to closure in 2010 and costing over \$7.5 billion, to today's scheduled closure of 2006, costing around \$7 billion. In order to achieve these savings, Bob has had to make some very tough decisions and use practical business sense.

As many of you may know, the closure of Rocky Flats is a very important issue to both me, my constituents, and Bob knows the importance of keeping all of us informed. Regardless of the news, he has always been honest and forthright with me and other members of the Colorado delegation.

I believe Bob is the right person for this Under Secretary. He will bring a tough-minded business sense to the department, and I want to congratulate Secretary Abraham for his excellent choice, and believe the country and the department is lucky that Bob Card has answered this call to service.

Again, I thank the committee for giving me this opportunity to speak on Bob's behalf. I hope that you will look favorably on his nomination, and it will be moved in an expeditious manner. Because I know Secretary Abraham would appreciate the help at the department. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Allard.
Senator Campbell.

**STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL,
U.S. SENATOR FROM COLORADO**

Senator CAMPBELL. Thank you, Mr. Chairman. I think that was the first call to vote, so let me be brief and say I'm very proud and honored to be able to join Senator Allard in introducing Bob Card from Colorado to serve as the Under Secretary of Energy. I think he is overwhelmingly qualified and certainly putting the right people in that department is important.

During the past few years, as you know, the Department of Energy has faced some serious lapses in security. Now we're experiencing an energy crisis the likes of which this country has not seen for decades. There has been a lack of comprehensive energy policy by the previous administration which could have alleviated many of the problems we're currently facing.

The entire Department is in need of an overhaul and reevaluation of existing policies, and I believe Bob Card will complement this team in place. And he is certainly the right person for the job. He has been a very, very strong voice for promoting and enhancing our competitiveness and global leadership, which are crucial to our nation's energy security.

He's an outstanding professional, and I believe he will do a very, very fine job in supervising the cleanup of nuclear weapon sites as well as the many other responsibilities in the Department.

As Senator Allard has mentioned, for the past 6 years he is head of the Kaiser-Hill, a partnership that contracted with DOE to clean up Rocky Flats, which has been very troublesome, as you know. And I think his experience will help accelerate and improve work at other facilities across the Nation as well.

As Wayne mentioned, he's a licensed engineer, also has graduate degrees from Stanford in civil engineering and from Harvard Business School. And his demonstrated abilities certainly should lead him to excel in this new position.

So I just wanted to add that I'm a very ardent supporter of his nomination, Mr. Chairman. Thank you.

The CHAIRMAN. Thank you very much, Senator Campbell. We have Senator Allen who will introduced Bruce Carnes for the Assistant Secretary for Energy—excuse me. Bruce Carnes for Chief Financial Officer, Department of Energy.

Senator ALLEN. Thank you, Mr. Chairman, Senator Murkowski, Senator Bingaman, Senator Campbell. It's a pleasure for me to introduce an outstanding resident of Virginia. But before I do, I want

to join in with Wayne Allard in saying that for Deputy Secretary, Francis Blake, although he's from Connecticut, would be an outstanding choice.

So you have the Northeast, the West, and the South together. He seems like a good fellow and with obviously a good sense of humor.

The CHAIRMAN. And he's a resident of Virginia?

Senator ALLEN. No, no, he lives in Connecticut.

The CHAIRMAN. It's too bad.

Senator ALLEN. It is too bad, but he's going to undoubtedly move to Virginia once he gets this appointment because——

The CHAIRMAN. That's fair enough. You take commissions on real estate sales?

Senator ALLEN. Trying to sell my own place.

The CHAIRMAN. Oh, there you go.

Senator ALLEN. I'm sure he'll show good judgment and move to Virginia.

At any rate, Mr. Chairman, Bruce Carnes lives in Fairfax County, and he's under consideration for Chief Financial Officer for the Department of Energy, and he has a very distinguished 25-year career in a variety of areas to the Nation in public service. He's, I think, a very wise and exceptional choice to manage the financial course for the U.S. Department of Energy.

Dr. Carnes, to the interest of Senator Allard and Senator Campbell, received his bachelor's degree from University of Colorado and graduate degree from Indiana University.

Senator ALLEN. Picked up our vote.

Senator ALLARD. Picked up your votes, good. He overcame this Virginia-deficient education experience, though, by teaching English at James Madison University, where one of his daughters graduated. The other graduated from the University of Virginia. Both then went on to serve in the U.S. Army, achieving the rank of captain.

His wife Lenore, who is with him here today, received her law degree from George Mason University.

Most probative, Mr. Chairman, is the fact that he's worked in the National Drug Control Policy Office, the Department of Education, the National Endowment for Humanities. He currently serves as the Deputy Director or Chief Operating Officer of the world's largest finance and accounting organization in the world, the Defense Finance & Accounting Service.

This last Department of Defense position I mentioned required Dr. Carnes to lead and manage the day-to-day accounting and finance activities of the entire Department of Defense. This is an area that employs more than 20,000 civilian and military personnel at 25 locations throughout the United States and the Pacific region. The financial resources that he oversees are well in excess of \$1 trillion.

Now, the changing face of the Defense Department, as we exited the Cold War in the early 1990's, provided a significant department-wide challenge that will now issue to our friends in the Department of Energy. Dr. Carnes is entering the department at a crucial time, and his leadership and expert assistance in advancing the administration's energy policy will be welcomed by all Americans.

And I know the chairman of this committee has been advocating an outstanding group of ideas, specifics of what we need to do to become more energy independent, and the whole country will appreciate that, and obviously Dr. Carnes in managing the efficiency of that office will be important.

I'm confident that Dr. Carnes' background and experience, especially in financial management, will enable him to continue his outstanding contributions to the Nation in his new role as the Energy Department's CFO.

Mr. Chairman and members of the committee, it's my sincere pleasure to present this exceptional nominee, Dr. Bruce Carnes, this morning to you and wholeheartedly recommend his approval.

The CHAIRMAN. Thank you very much. Thank you very much for that introduction, Senator Allen, and Senator Allard. We're going to recess briefly, then we'll introduce Mr. Blake and Mr. Garman.

[Recess taken from 9:48 a.m. to 10:03 a.m.]

The CHAIRMAN. We'll call a recess to a conclusion, and we have our panel of nominees before us. And I want to take the opportunity along with Senator Bingaman very briefly to introduce the two nominees that have not been introduced previously. We had Senator Allard and Senator Allen here previously.

But Mr. Blake, Francis S. Blake, a good name, Francis. It reminds me of Frank and some of those other names that I've heard from time to time. But Mr. Blake is nominated to be Deputy Secretary for the Department of Energy, which obviously is a timely topic these days. You can't hardly open anything or walk down any halls around Washington without an inquiry on energy.

Now, Mr. Blake is presently the senior vice president of Corporate Business Development at General Electric, where he's served since 1991 before joining GE. He was a partner at a law firm of Swindler & Berlin in Washington and served as the General Counsel at the Environmental Protection Agency from 1985 to 1988. He served as Deputy Counsel to Vice President George H.W. Bush from 1981 to 1983. He's a resident of Connecticut. He's a graduate of Harvard University and Columbia University School of Law.

Senator Bingaman, do you have any comments relative to the introduction of a nominee?

Senator BINGAMAN. I do not, Mr. Chairman. I strongly support all four of these nominees. I do have a couple of questions when we get to the question portion, but I think they are all good nominations, and I look forward to getting them confirmed.

The CHAIRMAN. Thank you very much, Senator Bingaman.

Our last nominee and the gentleman on the far right is no stranger to me. I've enjoyed the association for some 20 years. He's taught me a lot. He's an extraordinarily well-organized individual and, as a consequence, he's helped me a little bit. But I have not followed in his foot steps to the extent of his organizational ability.

It certainly is a pleasure to have the opportunity here to recognize someone that has had a personal relationship with both Nancy and I in the sense of working daily with this individual. And to see him advance, accept more responsibility, and finally have it culminated in a nomination, a presidential nominee I think is extremely noteworthy of David's ability and commitment to serve.

In the nomination by the President to serve as the Assistant Secretary of Energy for Energy Efficiency and Renewable Energy, David accepts a significant responsibility.

He is a resident of Virginia. You might wonder why the Virginia Senators are not here, but I took the broad authority as chairman to usurp them in this regard and accept the responsibility of introducing them myself.

As I indicated, David has been with me for over 20 years. He came in January 1981. For over 20 years he served in a variety of capacities, most recently as my Chief of Staff. He was an Energy LA on my staff in the early 1980's when the committee worked to decontrol natural gas prices.

He was my central staff member on the Senate Select Committee on Intelligence when we were examining the capabilities of intelligence assets and understanding issues such as climate change, transboundary pollution in the former Soviet Union. I had that position on the Energy Committee—excuse me, for the Intelligence Committee for 8 years.

He also served on the professional staff of the committee working on a variety of energy R&D and environmental issues. David joins us with an academic background of a Bachelor of Science and Public Policy from Duke University, and Master of Science and Environmental Sciences from Johns Hopkins University. He's been working on energy and environment issues in the Senate for the better part of 20 years.

I think he's well prepared to serve the President and the Nation in the job that he's been nominated for. He certainly is no stranger to members of the staff of this committee.

He served with Senator Domenici and Senator Nickles on the subcommittee staff. He's worked closely with Senator Craig and Senator Hagel on climate change. He's traveled with Senator Bingaman, Senator Akaka, Senator Thomas, Senator Kyle, and Senator Landrieu.

And one of David's virtues is his bipartisanship. He never hesitates to cross the aisle in pursuit of a positive legislative outcome, or sometimes cross the aisle in pursuit of a spouse. His wife, Kira, is with him today, and she's one of the democratic counsels for this committee.

I welcome David and their daughter and the family and friends and certainly recommend his nomination to members of this committee.

Now, before we start, Mr. Blake, do you have anyone in the audience you would like to introduce?

Mr. BLAKE. Oh, no, sir. My son is a lieutenant in the Army. He's now in Colorado. My daughter is at school at Stanford. So neither of them could be here.

The CHAIRMAN. All right. You're writing checks to Stanford University at this time?

Mr. BLAKE. All the time.

The CHAIRMAN. All right, Mr. Card.

Mr. CARD. Yes, Senator, I'd like to introduce my spouse, Nancy, and my daughter, Alison, and my son, Christopher.

The CHAIRMAN. Please stand up, thank you, and be recognized. The applause is for your family members, I might add, that are

going to have to put up with an awful lot here in your new position.

Mr. Carnes.

Mr. CARNES. Thanks, Mr. Chairman. Yes, I would like to introduce my wife, Lenore—

The CHAIRMAN. Lenore, good morning.

Mr. CARNES. And my sister-in-law, Barbara Brenner.

The CHAIRMAN. Barbara, how are you?

And Mr. Garman.

Mr. GARMAN. Yes, thank you, Mr. Chairman. With the committee's indulgence, I have a large—I have a large contingent.

The CHAIRMAN. Nobody is in Florida today.

Mr. GARMAN. My wife, Kira, and, of course, my daughter, Bonnie. My parents, Jack and Jane Garman, from Norcross, Georgia. My mother's sister, my aunt Jean Hoscloth from Jamestown, North Carolina. And from Washington, D.C., John and Maria Barons, who are Kira's great aunt and uncle.

The CHAIRMAN. Well, thank you very much, David, and my congratulations to you. And I join with your family, your wife, and your daughter in the pride of this moment.

And I think, Senator Bingaman, that we could go into the opening statements now of the members. I would encourage you to be brief and succinct and highlight what you feel is important to the committee.

Please proceed and we'll start with Mr. Blake and end up with Mr. Garman. Is that fair enough?

Mr. BLAKE. Mr. Chairman, members of the committee, my name is Frank Blake. It is—

The CHAIRMAN. Well, we've got another—I must swear you all in. I'm glad counsel is keeping me informed in advance.

If you will stand, gentlemen. The rules of the committee which apply to all nominees require that they be sworn in, in connection with their testimony.

So would you please raise your right hand, gentlemen. Do you solemnly swear that the testimony you are about to give to the Senate Committee on the Energy and Natural Resources shall be the truth, the whole truth, and nothing but the truth?

Mr. BLAKE. I do.

Mr. CARD. I do.

Mr. CARNES. I do.

Mr. GARMAN. I do.

The CHAIRMAN. Please be seated. Before you begin your statement, I would ask you three questions addressed to each nominee before the committee. Will you be available to appear before this committee and other congressional committees to represent departmental positions and respond to issues of concern to Congress?

Mr. BLAKE. I will.

Mr. CARD. I will.

Mr. CARNES. I will.

Mr. GARMAN. I will.

The CHAIRMAN. As you are aware, are there any personal holdings, investments, or interests that could constitute a conflict or create the appearance of such a conflict should you be confirmed

and assume the office to which you have been nominated by the President?

Mr. BLAKE. Mr. Chairman, my investments, personal holdings, and other interests have been reviewed both by myself and the appropriate ethics counselors within the Federal Government. I have taken the appropriate action to avoid any conflicts of interest. There are no conflicts of interest or appearance thereof, to my knowledge.

The CHAIRMAN. Mr. Card.

Mr. CARD. Mr. Chairman, my personal interests, personal holdings, and other interests have been reviewed both by myself and the appropriate ethics counselors within the Federal Government. I have taken appropriate action to avoid any conflicts of interest. There are no conflicts of interest or appearances thereof, to my knowledge.

The CHAIRMAN. Thank you.

Mr. Carnes.

Mr. CARNES. Mr. Chairman, my investments, personal holdings, and other interests have been reviewed by myself and the appropriate ethics counselors within the Federal Government. I have taken appropriate action to avoid any conflicts of interest. There are no conflicts of interest or appearances thereof, to my knowledge.

The CHAIRMAN. Thank you.

Mr. Garman.

Mr. GARMAN. Mr. Chairman, my investments, personal holdings, and other interests have been reviewed both by myself and the appropriate ethics counselors within the Federal Government. I have taken the appropriate action to avoid any conflicts of interest. There are no conflicts of interest or appearances thereof, to my knowledge.

The CHAIRMAN. Thank you. Are you involved or do you have any assets held in blind trusts? And let's go down the line.

Mr. Blake?

Mr. BLAKE. No.

The CHAIRMAN. Mr. Card?

Mr. CARD. No.

The CHAIRMAN. Mr. Carnes?

Mr. CARNES. No.

The CHAIRMAN. Mr. Garman?

Mr. GARMAN. No.

The CHAIRMAN. Do you—I think we've got it; is that right? All right. Thank you, Counselor. Let's proceed again.

Mr. Blake, we won't interrupt you this time.

TESTIMONY OF FRANCIS S. BLAKE, NOMINEE TO BE DEPUTY SECRETARY OF THE DEPARTMENT OF ENERGY

Mr. BLAKE. Thank you, Mr. Chairman. Mr. Chairman and members of the committee, my name is Frank Blake. It is a great privilege to appear before you today as President Bush's nominee to be Deputy Secretary of Energy. I'd like to commit my statement for the record and just make some—

The CHAIRMAN. Without objection, so noted.

Mr. BLAKE. And just make some brief comments in summary. I spent almost my entire professional career working on issues associated with power generation, transmission, and distribution. For the last 10 years I've worked at General Electric principally at GE's Power Systems Division. Most recently at corporate headquarters as senior vice president for Business Development.

Prior to that, I had the opportunity to serve in the Reagan administration, first as Deputy Counsel to then Vice President Bush, and then as General Counsel U.S. Environmental Protection Agency from 1985 to 1988.

If confirmed, I look forward to the opportunity of working for Secretary Abraham and working with the members of this committee. I believe that my experience in both the public and private sectors will be of use in addressing the problems and issues that face the Department of Energy.

Looking from the outside, one of the most interesting things about the Department is how varied its mandates are. From protecting and ensuring the country's nuclear arsenal, to conducting probably the world's largest environmental cleanup program, to overseeing some of the Nation's premier research and development facilities. And finally, of course, to working with others in developing the Nation's energy policy.

I think as varied as these tasks are, these are unique times that present terrific opportunities to make substantial improvements in each and every one of these areas. If confirmed, I look forward to working with all of you in that task.

[The prepared statement of Mr. Blake follows:]

PREPARED STATEMENT OF FRANCIS S. BLAKE, NOMINEE TO BE DEPUTY SECRETARY
OF THE DEPARTMENT OF ENERGY

Mr. Chairman and members of the committee, it is privilege to appear before you today as President Bush's nominee for Deputy Secretary of Energy. I look forward, if confirmed, to the opportunity of working with Secretary Abraham and the members of this Committee.

I have been fortunate in my career to have worked for extraordinary leaders in both the public and private sectors, including former President George Bush and Jack Welch, CEO of General Electric. There are enormous differences between the public and private sectors, but I believe there is a great deal to gain from sharing the perspectives learned in each. In particular, I believe that the public sector, legitimately wary of the latest corporate management philosophies, may still benefit from a private sector culture that is constantly seeking to improve itself. I look forward to working on that objective with Secretary Abraham and the management team that the President and he, with the Senate's concurrence, are putting in place.

The issues and challenges faced by the Department of Energy are many and varied. First and foremost, the Department must support our national security, ensuring that our nation's nuclear arsenal is safe, secure and reliable and in helping on issues related to nuclear nonproliferation. Secretary Abraham has pledged that this stands as his highest priority, and my role will be to assist him and General Gordon in accomplishing that.

The Department also has a critical role to play in the formulation and implementation of our country's energy policy. I have spent most of my professional life working on issues associated with energy policy and, in particular, power generation, transmission and distribution. The challenges the country now faces in those areas are apparent, as this Committee well knows. Fundamental problems of supply, demand and delivery have to be addressed. This committee will play a critical part in developing the short and long term solutions to these problems, and I look forward to working with you in that effort.

The third area of focus for the Department is science and technology. I have had the opportunity in the private sector to see first hand the benefits of the Department's support for research and development in critical areas of advanced tech-

nology. These programs at the Department and the National Laboratories provide an important benefit to our country's competitiveness. They help to encourage and harness some of the most creative work within industry, government and academia. The task is to make these strong programs even stronger.

Finally, the Department faces an enormous task in implementing the world's largest clean-up program. I have had experience in clean-up programs in both the private sector, through managing the environmental, health and safety programs of GE's Power Systems division, and in the public sector, through my role as General Counsel for EPA, from 1985 to 1988. This is a contentious area, where the possibilities of misunderstanding, confusion and programmatic drift are enormous. But the President, Secretary Abraham and the operating team at the Department are committed to reaching sound decisions, based on science, that will protect the public health and welfare.

Thank you again for the opportunity to appear before you, and if there are any questions, I would be pleased to try to answer them.

The CHAIRMAN. Thank you, Mr. Blake.
Mr. Card.

**TESTIMONY OF ROBERT G. CARD, NOMINEE TO BE UNDER
SECRETARY OF THE DEPARTMENT OF ENERGY**

Mr. CARD. Thank you, Mr. Chairman, members of the committee. I'm honored to appear before you today as President Bush's nominee for Under Secretary of Energy.

The CHAIRMAN. If you would be kind enough to pull that microphone up a little bit. Thank you.

Mr. CARD. I'm going to summarize my statement also and ask that it be submitted for the record.

The CHAIRMAN. Without objection.

Mr. CARD. I am pleased to have this opportunity to talk with you and respond to any questions you may have today. Current events have placed a great responsibility on DOE, a responsibility that I take seriously. I look forward to working with the committee and the Secretary to help resolve the pressing cleanup, science and energy issues which confront our nation.

If confirmed, my primary focus at DOE will be on day-to-day operations to improve the Department's efficiency and effectiveness. What I've heard from many of you and others is you want a faster and less costly cleanup, but you want to protect and enhance our science assets and capability. And that you want effective operations of our energy functions to help ensure reliable, economical, environmentally sustainable energy supplies.

Further, you want this accomplished—

The CHAIRMAN. If you would pull that up because we're still having a difficult time.

Mr. CARD. How's that?

The CHAIRMAN. That's great.

Mr. CARD. Further, you want this accomplished safely and with the security posture that protects our national interests. Moving towards this goal is obviously a daunting challenge, and I look forward to your experience help and guidance in this undertaking. Thank you.

[The prepared statement of Mr. Card follows:]

**PREPARED STATEMENT OF ROBERT G. CARD, NOMINEE TO BE UNDER SECRETARY OF
THE DEPARTMENT OF ENERGY**

Mr. Chairman and members of the committee, I am honored to appear before you today as President Bush's nominee for Under Secretary of Energy. I am pleased to

have this opportunity to talk with you and respond to any questions that you may have.

Please allow me to introduce my wife Nancy and my children, Christopher and Allison, who have joined me today.

Current events have placed great responsibility on the DOE—a responsibility that I take seriously. I look forward to working with the committee and the Secretary to help resolve the pressing cleanup, science, and energy issues which confront our nation.

If confirmed, my primary focus at the DOE will be on day-to-day operations to improve the Department's efficiency and effectiveness. What I have heard from many of you, and others, is that you want a faster and less costly cleanup; that you want to protect and enhance our science assets and capability; and that you want effective operations of our energy functions to help ensure reliable, economical, and environmentally sustainable energy supplies. Further, you want this accomplished safely and with a security posture that protects our national interests. Moving toward this goal is obviously a daunting challenge, and I look forward to your experience, help, and guidance in this undertaking.

Many studies have cited the high cost of DOE's cleanup program. In spite of recent accomplishments, the Department needs to do a better job in this area, and answer the mail on why more isn't being delivered for our 6 billion-dollar annual investment. As a nuclear operations executive, I am sensitive to both the importance of this issue and the immense challenge of accomplishing this safely at DOE's aging nuclear facilities. In using my site management experience to improve this program, I realize that each site within the DOE has unique circumstances that defy a cookie cutter approach, and their challenges are complex. I have been fortunate in that I have worked with the leadership of most of DOE's major sites to better understand their issues. In moving towards accelerating cleanup, I endorse the cleanup program evaluation called for by the Secretary, and I look forward to working with you to craft a path forward to meet the Department's cleanup obligations.

DOE's science program has made significant contributions to our national well being and competitiveness. It has played host to numerous Nobel laureates and important discoveries and developments in the physical sciences. These have contributed to major gains in public health, personal and national security, electronics, and energy, to name a few. We need to work on ways to cut red tape to make the science program more competitive and to fund projects to improve our aging infrastructure. We also need to work toward ensuring that new science initiatives important to our national interest are identified and appropriately funded.

This committee and DOE play an important role in developing strategies to bring economical, reliable, and environmentally sustainable energy to American consumers. To aid the Secretary in implementing these strategies, I bring the Department first hand experience with both oil production and nuclear issues, in addition to having lead my firm's energy business. This business included projects in renewable and energy efficiency technologies. I support the Administration's view that we need to encourage a broad mix of energy sources in our portfolio, and we need to continue working on technologies to ensure that all of our available resources for energy supply and energy efficiency are able to be applied to their fullest potential.

In conclusion, I look forward to working with you to make DOE more productive and cost effective, while simultaneously maintaining our vigilance on safety, security, and environmental compliance. I also want to express my appreciation for the very rapid scheduling of this hearing at a busy time for the committee.

Thank you.

The CHAIRMAN. Thank you, Mr. Card.
Mr. Carnes.

**TESTIMONY OF BRUCE M. CARNES, NOMINEE TO BE CHIEF
FINANCIAL OFFICER OF THE DEPARTMENT OF ENERGY**

Mr. CARNES. Thank you, Mr. Chairman, members of the committee. Thank you for the opportunity to appear before you here today. I'm honored to be the President's nominee to be Chief Financial Officer at the Department of Energy. Mr. Chairman, I have submitted a formal written statement that I ask be included in the record.

The CHAIRMAN. Without objection.

Mr. CARNES. If I could, I would like to briefly summarize my statement. Mr. Chairman, public trust, public service is a trust in

our family. My grandfather and uncle were elected public officials, my father was a career Army officer, my wife, Lenore, and I had two children, daughters, both of whom rose to the rank of captain in the U.S. Army.

My older daughter served in Bosnia, was a company commander in Albania during the Kosovo conflict, and was involved in the security operations related to the *U.S.S. Cole* aftermath.

I've served in the Federal Government for nearly 25 years. I've been the Chief Financial Officer of the Defense Finance & Accounting Service, an agency of about 19,000 civilian and military personnel for the past 2 years. Been their chief operating officer which performs all the financial operations of the Defense Department. I've also been the chief budget and financial official at various other agencies and departments.

There are few, if any, issues of greater importance in the Nation than those in Energy. If I am confirmed, Mr. Chairman, one of my top priorities will be to provide to you members of this committee, the Congress, and the public the financial information needed to make sound and informed decisions and to ensure that the taxpayer's dollars are being spent wisely and as intended in addressing those issues.

To that end, if I am confirmed, I will do everything I can to ensure that the Department of Energy continues to receive a clean audit opinion. The Congress and the American people expect good financial stewardship, and they deserve no less.

At the same time, if I am confirmed, I would hope to do more than provide financial data. Data needs to become information to help the secretary and his senior officers manage and make informed decisions, and it needs to be timely. Managers need the financial equivalent of a GPS system. And if confirmed, I would place a high priority on providing that information.

Finally, I would note that the staff of the CFO office and congressional staff have had an excellent working relationship over the years. If I am confirmed, I intend to ensure that that relationship is nurtured and that we are responsive, timely, and accurate in providing to the Congress the information that it requests.

Mr. Chairman, this concludes my statement. I would be happy to respond.

[The prepared statement of Mr. Carnes follows:]

PREPARED STATEMENT OF BRUCE M. CARNES, NOMINEE TO BE CHIEF FINANCIAL
OFFICER OF THE DEPARTMENT OF ENERGY

Mr. Chairman and members of the committee, I am honored to appear before you today as President Bush's nominee to be the Chief Financial Officer of the Department of Energy. I am also extremely grateful for the confidence that Secretary Abraham has placed in me.

Mr. Chairman, I would like to introduce my wife, Lynore Carnes. In nearly 33 years of marriage she has been my most ardent supporter and valued friend and counselor. Like me, Lynore is a Federal employee. Indeed, our family has a rich tradition of public service: my grandfather and uncle were elected public officials, my father was a career Army officer, both of our daughters were Army officers, and they married men who were also Army officers. Public service is a trust, a calling, that I take with the utmost seriousness.

Mr. Chairman, although I began my professional life as an academic, I bring to this job nearly 25 years of experience in the Federal government, almost all of it in the financial arena. I have been the Chief Financial Officer in the Defense Finance and Accounting Service and have been the principal budget and planning offi-

cial in three others agencies: the National Endowment for the Humanities, the U.S. Department of Education, and the Office of National Drug Control Policy. Most recently I have been the Deputy Director, or Chief Operating Officer, of the Defense Finance and Accounting Service, responsible for all the day-to-day operations of an agency of 19,000 civilian and military personnel performing all the financial operations of the Defense Department world-wide. I hope, and believe, that this diverse experience and wide range of financial and public policy issues will provide a solid basis on which to meet the CFO's responsibilities and duties at the Department of Energy.

The energy policy challenges that the Nation faces rise to the highest level of importance. Few issues command such intense public interest and attention. Each of the Department's major program areas—national defense, energy, science, and environmental cleanup—matters profoundly to the American people and to the Congress. If I am confirmed, Mr. Chairman, one of my top priorities will be to provide to you, the Members of this Committee, the Congress, and the public the financial information necessary to make sound, timely public policy judgments and decisions on these paramount issues, and to ensure that the taxpayers' dollars are being spent wisely and as intended.

The Chief Financial Officers Act of 1990 lays out eight statutory responsibilities for the CFO. Prominent among them is preparing an annual report that includes the Department's financial statements and audit. Getting a clean audit opinion in Federal agencies has proved to be a greater challenge than people perhaps originally thought, but I am pleased to say that my previous agency, the Defense Finance and Accounting Service, received a clean opinion for its latest financial statements, making it the first operational entity in the Defense Department to do so. More important, the Department of Energy has received a clean opinion for the last two years, and in fact received a grade of "A" from Congressman Horn. If I am confirmed, a top priority of mine will be to ensure that this splendid achievement continues. The Congress and the American people expect good financial stewardship of the taxpayers' dollars. They deserve no less.

At the same time, if I am confirmed I would work to provide the Department's managers the information they need to manage and make informed decisions. Financial data, no matter how accurate and perfect, must be turned into meaningful information that supports the work of senior managers. Managers need the financial equivalent of a global positioning system: they need to know what things cost, and they need to know it quickly. They need financial intelligence, not just data, and I would place increased focus on this analytic capability.

Another principal responsibility of the Chief Financial Officer laid out in statute is to have an integrated agency accounting and financial management system. Coming from the Defense Department, Mr. Chairman, I can candidly assure you that I know how important this is. I also know how challenging it is. At DoD significant strides have occurred—two-thirds of the more than 300 legacy accounting systems have been eliminated and replaced by migratory systems that are CFO-compliant. At Energy a major effort has begun to procure and develop a migratory financial management system to replace outdated, incompatible, non-compliant legacy systems. If I am confirmed, I intend to ensure that this process continues aggressively. Such system improvements, done properly, produce not only accurate and timely information, they produce savings in infrastructure costs.

The CFO Act links an integrated accounting and financial management system to internal controls. Under my tenure as Chief Operating Officer at the Defense Finance and Accounting Service, I created and staffed an office of Internal Review that reported directly to me. This office enjoyed a fruitful and productive working relationship with the Defense Department's Inspector General. If I am confirmed, Mr. Chairman, I would intend to place great emphasis on sound internal controls at the Department of Energy.

This will not only help ensure that the Department continues to receive a clean audit opinion, it is absolutely essential to providing to the Secretary the financial management information he needs in order to make sound decisions. Indeed, I would go further, and suggest that each major program area needs useful, meaningful financial information, not just data. Program managers need, and deserve, what I would call the financial equivalent of a global positioning system: they want, and rightly so, real-time financial intelligence. Done right, such information is by definition CFO-compliant. If I am confirmed as Chief Financial Officer, I would intend to make this one of my major initiatives.

Another major statutory responsibility conferred on the Chief Financial Officer is to oversee all financial management activities of the programs and operations of the agency. Although there is only one statutory Chief Financial Officer for the Department of Energy, the major program areas and field offices have budget and financial

management staffs. Such arrangements present no problem; indeed, I would suggest that if those positions did not exist we would have to create them. A similar situation exists between the Comptroller of the Department of Defense and the comptrollers of the three Military Departments: there is one comptroller for Defense, but all work together collegially. That is how I intend to proceed if I am confirmed. This approach, I believe, is analogous to the National Nuclear Security Administration, which Congress established as a semi-autonomous entity within the Department, with the Administrator reporting to the Secretary of Energy. As such, NNSA is subject to overall guidance and direction from the Secretary, including policy on financial matters, within which it is my belief they would have broad discretion unless otherwise determined by the Congress. At the same time, any financial guidance that the Department would promulgate should give great consideration to the advice and counsel of NNSA.

Finally, Mr. Chairman, I would note that the Chief Financial Officer's staff and the staff of this Committee and other Committees have enjoyed a good working relationship over the years. If I am confirmed, I intend to continue that relationship and to ensure that the Congress gets the information it wants when it wants it, and that it is accurate and reliable.

Mr. Chairman, this concludes my statement. Thank you for your consideration of my nomination and the opportunity to appear before you today. I would be pleased to respond to any question you may have.

The CHAIRMAN. Thank you, Mr. Carnes.
Mr. Garman.

TESTIMONY OF DAVID GARMAN, NOMINEE TO BE THE ASSISTANT SECRETARY FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY FOR THE DEPARTMENT OF ENERGY

Mr. GARMAN. Mr. Chairman and members of this committee, I am honored to appear before the committee as the President's nominee to serve as the Assistant Secretary of Energy for Energy Efficiency and Renewable Energy. Mr. Chairman, this past December when I came into your office and confided to you that there was only one job in the new administration that could entice me away from the Senate and from your service and that's the job that President has since nominated me to fill. I share this with the committee to underscore my ardent desire to serve in this capacity and my commitment to energy efficiency and the use of renewable energy resources in the Nation's energy mix. As the committee knows well our Nation faces serious energy challenges. I believe we must promote energy efficiency and the use of renewable energy resources as part of a balanced approach to meet those challenges and we have tremendous opportunities to employ new technology in that effort. That's the view I expressed to the Secretary of Energy and officials at the White House when I met with them to discuss my potential nomination and should I be confirmed by the Senate that is the view I will take into this job. Mr. Chairman, I ask that the balance of my statement be entered into the record.

[The prepared statement of Mr. Garman follows:]

PREPARED STATEMENT OF DAVID GARMAN, NOMINEE TO BE ASSISTANT SECRETARY OF ENERGY FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY FOR THE DEPARTMENT OF ENERGY

Mr. Chairman and members of the committee, I am honored to appear before this Committee as the President's nominee to serve as Assistant Secretary of Energy for Energy Efficiency and Renewable Energy.

This past December, I came into your office, Mr. Chairman, and confided to you that there was only one job in the new Administration that could entice me away from the Senate and from your service . . . the job the President has since nominated me to fill. I share this with the committee to underscore my ardent desire

to serve in this capacity and my commitment to energy efficiency and the greater use of renewable energy sources in the nation's energy mix.

As this committee knows so well, our nation faces serious energy challenges. I believe we must promote efficiency and the use of renewable energy resources as part of a balanced approach to meet those challenges, and we have tremendous opportunities to employ new technology in the effort. That is the view that I expressed to the Secretary of Energy and officials at the White House when I met with them to discuss my potential nomination. Should I be confirmed by the Senate, that is the view that I will take into the job.

The Office of Energy Efficiency and Renewable Energy (EERE) employs a federal work force of more than 570 individuals in pursuit of its goals to promote advanced clean energy practices and technologies. It implements 31 programs receiving over \$1 billion in federal funding through a network of DOE, national laboratory, state and local, academic and private sector providers.

If confirmed by the Senate, I will promote scientifically rigorous research and development programs designed to continue our progress in bringing down the cost of renewable energy technologies to make them more competitive in the marketplace.

If confirmed by the Senate, I will work to expand the efforts already launched by the President and the Secretary to have the Federal government lead by example in the area of energy efficiency.

If confirmed by the Senate, I will work to highlight the promise of technology, not only in addressing our energy needs, but in dealing with the risks posed by increasing concentrations of greenhouse gases in the atmosphere.

If confirmed by the Senate, I will continue the efforts already underway to improve project and overall management in EERE to get the best value for the taxpayer resources entrusted to our stewardship.

I appreciate the efforts of the Chairman and the Ranking Member to bring my nomination before the committee so quickly, and I am pleased to answer any questions the committee may have, either now or in the future.

Thank you.

The CHAIRMAN. Without objection. Thank you very much, Mr. Garman. I do appreciate the brevity of the opening statements. And relative to questions, one that comes to mind, Mr. Carnes, is the ranking—and ranking is in the eyes kind of the beholder—but, in any event, George Washington University has ranked the Department of Energy performance in 1999 as 14 out of 24 agencies when it comes to transparency and accountability.

Now, you're going to go in as Chief Financial Officer with the objective obviously of changing this, and I would appreciate your views on some of the critical comments that this university report made. What corrective action is achievable within reasonable limits?

Mr. CARNES. Yes, sir, thank you, Mr. Chairman. I am generally familiar with that report, and the ranking of the Department of Energy on that scale.

And I would say that certainly we can do better. I have reviewed the annual reports and believe that there is room for improvement there. And if I am confirmed, I would intend to inaugurate a more formal and rigorous program analysis and evaluation initiative, similar to that in the CFO organization in the Defense Department. Which rigorously examines programs to evaluate their success in terms of their outcomes.

This is, and the decisions that are made on budget then are driven by outcome decisions that there is a linkage between input, that is cost and the output. At the same time, I would work with the newly created office in the CFO organization, the Office of Engineering & Contract Management to make sure that is fully integrated into the budget development process.

The CHAIRMAN. Thank you, Mr. Carnes.

Mr. Card, Price-Anderson which you're familiar with relative to the necessity of reauthorizing that act, and given your experience at Rocky Flats, could you predict the consequences to the Department's programs for cleaning up nuclear sites if we fail to reauthorize Price-Anderson?

Mr. CARD. Well, I won't offer to predict the consequences for everybody, but I can say in my previous job that it would be a serious issue that we'd have to take up with the Department to figure out how to deal without Price-Anderson protection.

Let me add, and I've testified previously, that Price-Anderson I think provides a significant safety benefit for the Department as well through the enforcement process.

The CHAIRMAN. Well, we have had some discussions informally relative to whether that should be part of the comprehensive energy bill that comes out of the process here or whether we should try to move it independently. Do you have any views?

Mr. CARD. I don't know on whether those should be——

The CHAIRMAN. As long as it moves.

Mr. CARD. Yes.

The CHAIRMAN. Yes, I understand.

Mr. Blake, this is a question that has been asked of me, but I'm going to ask it of you so I may have a better answer when it's again asked of me. As you're aware, the task force is coming out with a report sometime next week, Wednesday or Thursday, and I would be interested in knowing how you propose integrating the recommendations of the Vice President's energy task force into the energy policy that is the responsibility of the Department of Energy basically in carrying it out and furthering it and instituting it.

Mr. BLAKE. I believe the task force, which I haven't obviously been personally involved in——

The CHAIRMAN. Nor have I.

Mr. BLAKE. I believe that the task force recommendations will include areas with specific responsibilities for the different departments within the Federal Government. And so we'll outline here are the follow-up items that would belong to the Department of Energy. Here are the follow-up items that would belong to the Department of the Interior. That's my understanding.

The CHAIRMAN. Well, it's certainly going to take a lot of your time and attention certainly because the expectations are very high that in this document we're going to have an outline of an energy policy that's identifiable, whether we agree with it all or not is something else again as opposed to what we have now, which is pretty hard to identify in any specifics. It's fairly non-conclusive.

Which leads me to a question for Mr. Garman, and he'll yield to Senator Bingaman, but it's relative to the emphasis that we're currently seeing in many of the media and many in the environmental community that this crisis can be eliminated by a conservation. And your area of responsibility would be in renewables, alternatives, and so forth.

And we've looked at CAFE standards at some length relative to generalized statements that you could save as much by changing CAFE standards as half as much oil as we import, but then somebody said there's 200 million vehicles on the road or thereabouts,

130 million of them are cars, most of the cars aren't paid for. You're not going to move those cars off the highway very rapidly.

And if you mandate, people will keep some of their old cars, and it takes a long time, relatively long time, as much as 7 to 8 to 9 to 10 years to bring about a significant number of replacement automobiles.

And I guess you can go out and buy an automobile now that gets 50 or 60 miles to the gallon. Some people do and some people don't. But I'm concerned with the assumptions that are being made on the oversimplification of how we can address this crisis by simply conservation. And I've been of the opinion we need a balance. But still there are many who simply focus we can do it by conservation. I'd appreciate any observations you'd care to make.

Mr. GARMAN. Mr. Chairman, you've touched on a great many subjects, and I'll try to be brief in response. California represents to me an excellent analog that we can look at. As a State, California has done a superb job at saving energy. I think there are only three States that do better than they do on an equivalent basis. And yet California is suffering from energy shortages and rolling blackouts.

That is instructive, I believe, to us that energy efficiency and conservation, while very, very important tools, cannot by themselves get us to where we need to be in terms of bringing the Nation the energy it needs to continue its economic growth.

The CHAIRMAN. Senator Bingaman.

Mr. BINGAMAN. Well, thank you very much. As I said earlier, Mr. Chairman, I do support all four of these nominees. I think they're very well qualified and look forward to working with them when they assume their new jobs.

Let me ask Mr. Card a couple of questions that occur here. The cleanup project of the nuclear weapons complex is a major part of what the Department is engaged in. This is an area, of course, you had substantial involvement with at Rocky Flats. And your former company, Kaiser-Hill, had some safety lapses at Rocky Flat that led to the Department fining and reprimanding the company.

Four months ago, the Department sent a letter expressing its serious concern about the company's safety performance and inadequate management of the Rocky Flat cleanup. Could you give the committee your views about those incidents and what the problem was that caused that letter from the Department?

Mr. CARD. Sure, thank you, Senator. First let me say that safety and security are very serious issues at DOE's aging nuclear sites, and it will be my top priority in everything I do at the Department.

I also want to point out while I'm never satisfied with our safety performance, that we have worked since I took charge there over 50 million hours without a single significant injury or exposure. I would place the context of the concerns you described in the dramatic acceleration of the cleanup we're doing, which calls for a higher safety standard than would normally be the case.

In calendar year 2000 we had our best safety year ever in statistics. But clearly, as was pointed out in that letter and in the GEO report, we haven't achieved the level of safety required to meet our 2006 cleanup obligations. We've prepared a safety improvement

plan as a result of that that is being implemented now, and it's my understanding that DOE is satisfied with that plan.

Mr. BINGAMAN. Thank you very much. Let me ask another question. Two years ago you took a strong stand, I gather, in testimony before the House Commerce Committee against requiring the Department of Energy to issue additional worker safety rules. Could you explain your thinking on this and what your view would be in this new position as Under Secretary of Energy responsible enforcing these rules?

Mr. CARD. Sure. First let me provide my view at the time in that the Price-Anderson structure in DOE is established to mirror the NRC. And the quality assurance rule is the basic enforcement tool for the NRC. And I think that if you talk to the enforcement experts, they will say the quality assurance rule, which was in effect, can be used to enforce against virtually everything.

I saw the new rules as simply providing additional bureaucracy without any additional worker protection. I think that will prove to be true. I don't have a position on that and my perspective new rule.

However, I would take a hard look at the relative benefit and whether, in fact, I've missed something, and there is any additional enforcement capability actually provided by the new rule versus the high cost of implementing those.

Let me just give you an example. It generally costs even for a simple rule about a million dollars per site. So, for example, in new Mexico, Sandy and Los Alamos each will be consuming over a million dollars per rule instead of doing research. I would hope we would be able to look at that and make sure we're getting our bang for our buck.

Mr. BINGAMAN. Mr. Chairman, let me say again I support all the nominees. I'm sorry to see Mr. Garman leaving your own office, but I'm sure he's leaving it in good hands, and we're at least keeping Kira here. So I have no major complaint about that. So thank you very much.

The CHAIRMAN. Thank you, Senator Bingaman.

Senator Craig.

Senator CRAIG. Mr. Chairman, thank you. Gentlemen, congratulations to all of you. We're looking forward to having you on board sooner rather than later. I know the folks down at DOE need your help now and our country does also. So we will expedite this, I trust, and the Senate will respond in a timely fashion.

Let me ask a generic question of you all because this is something we're all concerned about. Each of our labs has a cleanup mission in nearly all situations and, as has been stated, it is costly. And probably more costly than it should be.

In 1995, the Department of Energy signed a legally enforceable agreement with the State of Idaho in relation to cleanup which requires that certain milestones be achieved by certain States in the cleanup of contamination at the Idaho National Engineering & Environmental Lab.

I'm doing all I can to see that adequate funding be provided for DOE to meet its containment or its commitments to the people of Idaho. And this is a conversation that I will continue with Sec-

retary Abraham. We have visited at length about it. He will be here to discuss the DOE budget, I believe, tomorrow.

The CHAIRMAN. Tomorrow, that's correct.

Senator CRAIG. Here is my question to you because the budget that came forward was wholly inadequate. Its confirmed to your respective position was in the Department of Energy do I have your assurance that you will work to honor the legal commitments for cleanup, such as the Idaho Settlement Agreement, and do you agree that such legal commitments are binding on DOE and should be used when planning the budget for the cleanup program? That's a question for all of you to respond to.

Mr. BLAKE. Yes, Senator, I think the generic response and I, for myself, have not had the opportunity to—

Senator CRAIG. Of course not.

Mr. BLAKE [continuing]. To review the details of the situation in Idaho or elsewhere. Is that the Department takes those obligations extremely seriously and will, of course, work with you to make sure that we make—take all appropriate steps.

Mr. CARD. I'm committed to meeting the Department's regulatory obligations and, further, with regard to your site, which I know something about, I'm hoping that I'm able to. Rocky Flats, as I left it, was shipping one transuranic shipment per day.

Senator CRAIG. To Idaho?

Mr. BLAKE. Well, no, to ship to ship.

Senator CRAIG. And some of what we have in Idaho is Rocky Flat products.

Mr. CARD. I'm hoping that to make sure that the technology developed there is applied at Idaho to expedite their transuranic waste shipments as well.

Senator CRAIG. Thank you. Senator Carnes.

Mr. CARNES. Senator, I would associate myself with the comments of my colleagues, and though I had not been privy to the development of the budget for fiscal year 2002, I'm generally aware of this issue and I can assure you that it is my intention to ensure that we meet our legal commitments and obligations.

Senator CRAIG. David.

Mr. GARMAN. Senator Craig, I am fortunate in the fact that the EERE office does not have a lab with a nuclear cleanup problem. We have the national renewable energy lab in Golden, Colorado, but I have not been briefed of any problems.

Senator CRAIG. Well, that's right, David, and that's not really in or on or what will be your watch. So let me talk to you about what is your watch. Because certainly there's a lot of public debate lately about the balance of our national energy policy between supply and demand and between traditional sources and renewable resources.

And we are about to see the effort of the administration. This committee will have the responsibility of coupling that with an energy bill that we've introduced that we are well aware of. And blending those together and getting them to the floor so this country can engage in a national energy debate as we should. And then hopefully the Congress will act in a timely fashion.

But do you think that our national energy policy should focus in the near term on our largest sources of energy—coal, nuclear,

hydro, and gas, and what role should renewable resources play in that?

Mr. GARMAN. Senator, I, of course, as I'm very clear, come before the committee as an advocate of renewable energy and conservation.

And having said that, however, I do recognize the current energy balance. I recognize the fact that we currently get 10 percent of our total energy from renewable energy and only 5 percent, only half of that from non-hydro renewable energy.

There is emphasis, of course, on wind and solar in a lot of the discussions. We hope that wind and solar can be competitive in the marketplace and do a great deal more, but that has to come with a realistic recognition that right now wind and solar together produce about one-tenth, between one-tenth, two-tenths of 1 percent of our total electricity mix. So it is important to inject an important dose of realism in our expectations of just how quickly in the short term we can increase our reliance on renewable energy.

Senator CRAIG. David, I'm told by those who are in the wind business that the new turbines are very efficient because they operate or the revolution is slower, they are less damaging to birds.

And that if we would extend from a 2-year to a 5-year interval, the tax credits we offer that there would be substantially more investment in these areas. Do you know or has there been any discussion about that approach obviously to enhance the opportunities to bring wind on line?

Mr. GARMAN. Currently, wind generators enjoy a production tax credit for wind generation. And we are in a period right now of great growth in wind generation. In the midst of, say, the 24-month period that we're in the midst of now, wind energy is expected to essentially double.

So we have created an atmosphere, if you will, an investment atmosphere where wind is competitive with other sources of energy.

Now, of course, if you look at a map of the wind resources in the United States, you recognize that you can't put a windmill everywhere. Your class six, class five wind resources don't exist, are not evenly distributed across the Nation. So there are physical limitations as well that we have to be realistic about.

Senator CRAIG. Well, thank you for that comment. Now, the real tough question, the one that was asked by me and others continually over the last few years but we never got an answer out of the former administration. Do you consider hydro power to be a renewable energy resource?

Mr. GARMAN. Yes, sir.

Senator CRAIG. Thank you. That's a wonderful response, David.

In the area of nuclear energy research, what role should nuclear energy play in our energy policy? And I'm asking any of you who feel qualified to respond to that. What should DOE be doing in its office of nuclear energy to support the role of nuclear energy? Because I have a very well-informed suspicion that the administration is going to become a very active advocate of nuclear energy. Response?

Mr. BLAKE. I think, Senator, that will be laid out in the Vice President's task force report. Again, not having participated, I don't know the specifics, but I would think that the most direct and im-

portant activity is relicensing some of the existing facilities. And then thinking about where the country might go in terms of new technology.

Senator CRAIG. Anyone else want to respond to that? Okay, then, let me ask this of you, Mr. Card. In the past, the position of under secretary has functioned as the kind of chief scientist for DOE. If confirmed, will you oversee the DOE's science programs, and what are your thoughts on DOE as a primary science agency of the Federal Government? And what role do you think DOE should play in fundamental scientific research?

Mr. CARD. Well, DOE is, Senator, one of the lead science agencies in the Federal Government. I see no reason why it shouldn't continue to play that role until I'm told otherwise. My goal would be to support that role and build it from where it is today.

Senator CRAIG. Well, I think we have a lot of reinvestment to do in our science infrastructure at our national labs.

As you know, many of our facilities are 50 years old and, in some instances, finding it difficult to attract new workers. So you do have, I think, an important responsibility. Because I do believe, as I think most on this committee believe, that DOE is a primary science agency for our country, and that these labs are extremely valuable resources, and they ought to be engaged in primary scientific research appropriate.

Let me turn to my colleague, Senator Ron Wyden, who has joined us. Ron.

Senator WYDEN. I thank, my friend. Gentlemen, welcome, and it's good to visit with you a bit in the office, Mr. Blake, and I do have some questions as I indicated I would at that time.

As you know, in the last few days California has been hit with another round of blackouts, rolling blackouts. I talked to folks in Palo Alto yesterday at my mom's nursing home. They said they were looking at blackouts yesterday, and I guess I'd like to begin by saying do you see any scenario by which the Energy Department would order Bonneville Power or other utilities to send power to California again in this kind of environment?

Mr. BLAKE. It's difficult to rule out any scenario, but I know that's not on the planning horizon.

Senator WYDEN. Given the fact that you won't rule it out, I'm going to have to ask you other questions because this is a matter of enormous importance to Senator Craig's constituents and mine. If you end up ordering my constituents to send power to California again, do you think California ought to be required to provide States full faith in credit as a guarantee if people in Idaho and Oregon and New Mexico have to send power under Federal order to California?

Mr. BLAKE. Senator, I appreciate that you asked that question for me 2 days ago. I think at that point that is still in the realm of a hypothetical question. I don't have the answer for you in terms of what the Department's response would be on those circumstances.

Senator WYDEN. But, no, your opinion as a policy matter if somebody is ordered to sell power to California, do you think, in your opinion as a policy matter, that the State ought to have to put its full faith in credit behind it?

Mr. BLAKE. I think you'll have to look at the other conditions of the generator sales into California and whether that would actually be creating more stress on the system than relieving stress.

Senator WYDEN. Well, you told me in my office when you were there a couple of days ago that you wanted to bring to the Energy Department a private-sector approach, a management approach which is welcome. What would have been the private-sector approach if GE had supplied gas turbines to California utilities, and those utilities hadn't paid GE back for months? What would you be doing about it as a GE executive.

Mr. BLAKE. As a GE executive, we often have issues with important customers where immediate payments aren't made. And where we often work out payment terms in contemplation of long-term relationships. I think that's particularly true in an area like electricity where fundamentally because of the interconnected grid you have to maintain good relations amongst the States.

Senator WYDEN. Well, that's interesting, because that's my sense of what the private sector approach is, but I don't see any evidence that the Energy Department is pursuing that approach right now from the California ISO.

And the fact of the matter is California owes somewhere in the vicinity of \$100 million that was sent by Federal order under my constituents, under Craig's constituents, Senator Bingaman's constituents.

You just said you'd use the private-sector approach, but I don't see any evidence that the Energy Department is doing that right now.

I went down to Senator Abraham's office several weeks ago and asked for that approach. Let's have a private-sector approach, pay it back. I went down there at my initiative to ask it, and I haven't heard anything about what the Energy Department is doing. Can you enlighten me as to whether something is being done?

I've got workers who are out of work at aluminum plants in communities in my State just flat on their back. They were forced to send power under Federal order. You just said this morning you wouldn't rule out having them do it again. You wouldn't rule it out again, and yet I don't see any evidence from the responses you're giving me this morning that there's any plan to even get paid back what's already owed. So why don't you enlighten me on that.

Mr. BLAKE. Well, Senator, first my response was to the question whether there was any scenario where that would be possible. And it would seem reckless to completely rule that out, certainly based on what I know now.

In terms of California status, I believe the Federal Government's position is not unique amongst the energy providers in the State. And this is a complex and difficult matter. The Department is aware of your concerns. I think they're shared by many others, and it's an issue that's going to have to be resolved by the State going forward.

Senator WYDEN. What is different here is that we were required to do it under Federal order. And you're not ruling out doing it again, number one. You're not willing to say that the position of the Department is that California at least ought to put its full faith in credit behind it.

I don't see any urgency on the part of the Department in terms of getting the Northwest paid back.

As you know, Bonneville Power is a Federal entity. Let me just tell you, I think the Department's handling of this, in my view, is very disappointing. Suffice to say, I intend to stay with this until our constituents are made whole. And the fact that you're willing to say you're going to not rule out doing it exactly the same way, not even requiring that California put its full faith in credit behind the next one I think is just unacceptable.

Let me turn my attention to another area and we'll see if we can do a little better on this one than your previous answers.

Recently, there has been discussion about how the four major power wholesalers, Enron, Reliant, Dynergy, and Duke run trading exchanges in Houston that can have a significant impact on energy prices nationwide. In effect, people are coming and going and trading electricity and natural gas.

My view is that if we're going to treat electricity as a commodity, there has got to be open access to information for markets to function efficiently.

As it stands now, basic operating information required to evaluate the severity of power problems and the appropriate steps that would be needed to protect our systems from outages are just unavailable in other parts of the country. Do you think markets would work more efficiently if more operating information about electricity markets, talking about supply and demand and transmission, were available to market participants and to the public? And that there was more transparency in these exchanges?

Mr. BLAKE. Markets always work better with more transparency and more data. And I think that the issue that's being balanced there is you also can't give competitors access to vital competitive information. And that's the balance that needs to be struck, and that I believe the Department is looking for.

Senator WYDEN. I've been talking to both industry and public interest groups about introducing legislation to promote such an approach. I've talked to a number of my colleagues on this committee about that. Can I take your answer as one that you would be sympathetic to the general thrust of legislation like this that would ensure that with energy being commoditized, people ought to get more information about transmission and outages and the like?

Mr. BLAKE. It is absolutely a critical thing to look at as we look at the market, as you say.

Senator WYDEN. One last question, if I might. As I talked about in the office, I was concerned about the proposed cleanup cuts in the Hanford budget. My understanding is if cleanup programs are going to be cut by \$180 million, the proposed funding for the vitrification plant to process the high level waste is 200 million less than what experts say is needed. What assurance can you give to the million people who live downstream from Hanford that the cleanup and the effort to protect the river is going to stay on track, given these cuts?

Mr. BLAKE. In the Department's budget submission, I know that the Department is still fully committed to meeting its obligations. I think one of my colleagues may be better able to address the specifics of the budget submission. But I know from the briefings I

have received that there's a great level of confidence of still being able to achieve the end result.

Senator WYDEN. You told me in the office that you were going to look to try to slash overhead as a way to try to get more dollars to cleanup. As I say, I think the proposal itself, and I noted that the Member of the Congress, the Republican Congressman from the area thinks it's woefully inadequate. Do you plan to really target overhead expenses as a way to try to stretch dollars? And if that's the case, what kind of savings do you think could be generated there?

Mr. BLAKE. I think what I said is it's always possible to look at more effective and efficient and cost-effective ways of doing things, and that overhead is one area you'd look at. You'd also look at how can you better achieve the same end result through different methods. I haven't given a specific look at the Hanford situation or any of the other specific budgetary issues.

Senator WYDEN. When do you plan to?

Mr. BLAKE. As soon as I'm confirmed.

Senator WYDEN. Thank you, Mr. Chairman.

Senator CRAIG. Mr. Francis, Senator Wyden and I share the same concern about Federal orders. I think it is important to reflect what has happened with this administration coming to town, inheriting a Federal order that had been put in place by the past administration. And we strongly questioned that at the time. They did extend it one time but agreed they would never extend it again.

While we don't have the absolute assurance, we have the clear attitude and the expression by the President and the Vice President that there will not be an extension in the market of an order of a Federal order, and that is very critical to the West and very critical to the grid. And most importantly it's critical to California to get their act together.

And if we keep, quote, "bailing them out," then there's less willingness to do that. It's a rather harsh way of doing that.

Senator WYDEN. Would my friend yield?

Senator CRAIG. Surely.

Senator WYDEN. I thank him, and I think he knows I'm going to work very closely with him on all of these issues. What concerned me about the witness' answer, it seems to me he wouldn't rule it out. And the President and the Vice President earlier had, and that's what I find troubling.

Mr. BLAKE. I didn't—let me be clear.

Senator CRAIG. You may speak, Mr. Blake.

Mr. BLAKE. Thank you. I didn't intend by that statement to suggest anything other than what Senator Craig has set up in terms of the administration's position and its, as I said, its lack of intent to do so.

Your question was is it conceivable to look up any scenario where that would happen? I—that's one where I can't—it's a hypothetical question, and it would seem to me, as I said, to be a bit reckless to rule out that under any scenario. But I did not intend—

Senator WYDEN. If the Senator from Idaho has the time, I just want him to know that I'm going to work to make sure that the President's commitment that they weren't going to do it again is

what's the approach of this administration. Because I find that answer very troubling, and I thank you for yielding.

Senator CRAIG. Well, thank you. I think it is important that the record show the scenario of those orders and the frustration this committee had or at least a good many of us on this committee had with the initial one. And the very real pressure that we did put on the new administration, and frankly their response inappropriately placed.

Lastly, the expression that Senator Wyden had about cleanup at Hanford and the—I had about cleanup at the INEL is just mutually shared. The budget is woefully inadequate in those area.

Now, I will say as we bring this budget resolution to the floor, we believe we have found a recommendation difficult, and we hope the administration will support us in that remedy with some supplemental funding and about a billion dollars worth of it going into the lab structure for the purpose of cleanup. Coming out of a defense supplemental. But that is not yet fully assured.

We believe we can do that, we have commitments, and that is the intent of this Senator.

It is certainly the intent of the chairman of the Budget Committee that we can effectively fund, not just flat fund but fund with the appropriate increases, the necessary program levels in those areas. So I hope we can get that accomplished that you're going to have additional resources to work with. But I do believe that is a commitment that we now have, and that will be done.

Having said that, gentlemen, thank you very much. All additional questions for the record should be communicated to Chief Counsel's office by 5 p.m. this afternoon. I guess that's what I just read.

Anyway, thank you all very much. Best of luck. We'll work hard to expedite your confirmations and the committee will stand adjourned.

[Whereupon, at 10:59 a.m., the hearing was adjourned.]

APPENDIX
RESPONSES TO ADDITIONAL QUESTIONS

DEPARTMENT OF ENERGY,
Washington, DC, May 14, 2001.

Hon. FRANK MURKOWSKI,
Chairman, Energy and Natural Resources Committee, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I want to thank you and Senator Bingaman for the opportunity to appear before the Committee on Energy and Natural Resources as Deputy Secretary nominee at the U.S. Department of Energy.

Enclosed for the record are the answers to the post hearing questions submitted to me in writing by members of the committee.

Please let me know if I can be of any further assistance.

Sincerely,

FRANCIS BLAKE.

[Enclosures]

RESPONSE TO QUESTION FROM SENATOR MURKOWSKI

Question. The Energy Information Administration does an excellent job reporting on energy trends and specifics, but there are always things they can do better. I think part of the reason we have the energy problems we do is the American public hasn't gotten information that is easily understood—much of the EIA's information is good for analysts and governments, but not so good for the average American.

Will you take a look at EIA's policies regarding making some more "readable" information so American consumers, educators and others can more easily use the information for their decision-making?

Answer. Yes, I understand your concerns about making information available to the public in a more "readable" format and I will convey your concerns to the Energy Information Administration management team. As you indicated, there is room for improvement in this area.

DEPARTMENT OF ENERGY,
Washington, DC, May 14, 2001.

Hon. FRANK MURKOWSKI,
Chairman, Energy and Natural Resources Committee, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I want to thank you and Senator Bingaman for the opportunity to appear before the Committee on Energy and Natural Resources as Under Secretary nominee at the U.S. Department of Energy.

Enclosed for the record are the answers to the post hearing questions submitted to me in writing by members of the committee.

Please let me know if I can be of any further assistance.

Sincerely,

ROBERT G. CARD.

[Enclosures]

RESPONSE TO QUESTION FROM SENATOR MURKOWSKI

Question. Your efforts at Rocky Flats pioneered the closure site concept for DOE's cleanup program. Closing a DOE site obviously depends on removing the nuclear waste material from the closure site and shipping and disposing of it safely—all of

which sounds like an expensive proposition. The DOE's Ohio Field Office has had a lot of success and cost savings through its use of commercial disposal facilities.

Could you comment on the use of commercial means for shipping and disposing of the low-activity waste to keep the taxpayer costs as low as possible?

Answer. Experience at both the Ohio Field Office and Rocky Flats has shown a benefit in the use of commercial shippers and disposal facilities. Commercial options can be an important element of DOE's waste shipping and disposal strategy, potentially providing cost-efficient alternatives to the use of federal disposal facilities. Having a broad range of disposal options and shipping capabilities, including commercial ones, is important to the long-term success of the EM program, both in terms of potential taxpayer savings and operational redundancies in case a particular site or shipper is not able to perform. Then within those options available, DOE should always choose the shipping and disposal options that are in the best interest of the Government.

DEPARTMENT OF ENERGY,
Washington, DC, May 14, 2001.

Hon. FRANK MURKOWSKI,
Chairman, Energy and Natural Resources Committee, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I want to thank you and Senator Bingaman for the opportunity to appear before the Committee on Energy and Natural Resources as the Assistant Secretary for Energy Efficiency and Renewable Energy nominee at the U.S. Department of Energy.

Enclosed for the record are the answers to the post hearing questions submitted to me in writing by members of the committee.

Please let me know if I can be of any further assistance.

Sincerely,

DAVID GARMAN.

[Enclosures]

RESPONSES TO QUESTIONS FROM SENATOR THOMAS

Question 1. In Wyoming we have sugar beet tops, wheat straw, corn stover and barley straw as agricultural waste products. I understand technologies are being developed by biotechnology companies to use enzymes to convert those waste products to energy and other products. What can DOE do to help the private sector move these technologies forward in a speedier fashion?

Answer. I believe the Department of Energy has much to offer in accelerating the research, development, and commercialization of biobased products and bioenergy technology into the United States economy. I understand that the Department has integrated efforts underway within its Offices of Science, Fossil Energy, and Energy Efficiency and Renewable Energy focused toward the realization of a biorefinery facility. Such a facility, located in rural America, would use locally grown feedstocks as the raw materials for high value fuels, products, and power. Research is presently underway at DOE laboratories and through cost shared projects with industry and universities, on the conversion processes for biomass to fuels and products. Specialized yeasts and new enzymes are being developed to optimize the conversion processes and make the greatest use of available feedstocks. Because of their abundance, wheat straw, rice straw and corn stover are targeted. Should I be confirmed, I will work to promote the partnerships needed to advance technologies and move the Biorefinery from a concept to a sustainable industry.

Question 2. The New York Times reports today that Vice President Cheney is supporting clean energy production methods that use enzymes to convert waste products to energy. President Clinton had signed an Executive Order to begin a biobased products and bioenergy initiative. What will the Bush administration do under your leadership to build on these efforts to help us develop carbohydrate based industrial processes?

Answer. The U.S. Department of Energy is working with industry and university partners on research and development in this area, and will conform current efforts in accordance with the direction of the Vice President and the new national energy strategy. I believe there is great promise in developing technologies which will reduce our dependence on imported oil while allowing America's farmers to provide not only the food we need but also the energy we demand.

Question 3. Senator Lugar authored a bill to fund research into enzyme biomass technologies. I understand this bill has not been well funded by the appropriations

committee. What level of funding do you think Congress should provide for this program?

Answer. I fully support the research and development goals outlined in the Biomass Research and Development Act of 2000. The pending technical priorities of the Biomass Research and Development Technical Advisory Committee as well as guidance in the national energy strategy will act as the launching point for any needed changes in direction and funding. It is my understanding that no new appropriations have been made available to date to implement the Act. However, because of the importance of this research, I also understand that DOE's Office of Energy Efficiency and Renewable Energy (EERE) has used funding from its base programs to allow modest solicitations in support of the Act. Moreover, EERE has aligned its ongoing programs in fuels, power, and products with the goals and guidance of the Act in order to work at achieving its goals.

Question 4. The USDA and DOE have been required by the Lugar-Udall legislation to set up a Technical Advisory Committee made up of industry people to advise these agencies on advanced biomass conversion technologies. Jack Huttner from Genencor and Glenn English from NRECA are the co-chairs of this group. Do you know how many times they have met and what recommendations they are developing for DOE? How much weight would you give these recommendations from the Technical Advisory Committee?

Answer. The Biomass Research and Development Technical Advisory Committee was established on November 22, 2000. It is my understanding that they have met three times or once each quarter as required by the Biomass Research and Development Act of 2000. This committee, with 25 members of industry, universities, farm interest, and environmental groups, is positioned to provide critical recommendations in the area of technical priorities to DOE as well as USDA. While I do not yet know what recommendations they will make, the committee is reportedly looking at existing federal investments, emerging technologies, and strategies for future investments. Their next meeting is scheduled for June 11, 2001.